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**SPECIAL OLYMPICS ONTARIO INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2026**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of  
Special Olympics Ontario Inc.

### *Opinion*

We have audited the financial statements of Special Olympics Ontario Inc. which comprise the statement of financial position as at June 30, 2026, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Norton McMullen LLP*

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

September 19, 2026

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**SPECIAL OLYMPICS ONTARIO INC.****STATEMENT OF FINANCIAL POSITION**

As at June 30,

**2026****2025**

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**ASSETS****Current**Unrestricted cash, cash equivalents,  
and investments (Note 2)

\$ 4,405,836 \$ 3,522,953

Accounts receivable

144,040 106,890

HST refundable

222,834 186,832

Prepaid expenses

251,728 805,245

\$ 5,024,438 \$ 4,621,920

Internally Restricted Cash, Cash Equivalents  
and Investments (Note 2)

3,800,000 3,500,000

Capital Assets (Note 3)

- -

\$ 8,824,438 \$ 8,121,920

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**LIABILITIES****Current**

Accounts payable and accrued liabilities (Note 8)

\$ 792,155 \$ 471,591

Program funds segregated (Notes 2 and 4)

913,758 900,332

Deferred contributions (Note 5)

285,059 289,674

\$ 1,990,972 \$ 1,661,597

**NET ASSETS**

Internally restricted

\$ 3,800,000 \$ 3,500,000

Unrestricted

3,033,466 2,960,323

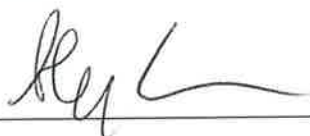
\$ 6,833,466 \$ 6,460,323

\$ 8,824,438 \$ 8,121,920

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Commitments (Note 9)

Approved by the Board:

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

See accompanying notes

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**SPECIAL OLYMPICS ONTARIO INC.****STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

| For the year ended June 30,                             | 2026                | 2025                |
|---------------------------------------------------------|---------------------|---------------------|
| <hr/>                                                   |                     |                     |
| <b>COMMUNITY ENDEAVOURS</b> (Note 6)                    | \$ 4,895,637        | \$ 2,939,864        |
| Less: Community program funds                           | <u>(4,895,637)</u>  | <u>(2,939,864)</u>  |
|                                                         | \$ -                | \$ -                |
| <br><b>PROVINCIAL REVENUES</b>                          |                     |                     |
| Fundraising                                             | \$ 5,175,774        | \$ 4,186,115        |
| Government grants (Note 7(b))                           | 1,186,172           | 756,006             |
| Programs                                                | 542,826             | 271,522             |
| Interest                                                | 490,469             | 602,029             |
| Gifts-in-kind                                           | 239,268             | 239,678             |
| Nevada tickets (Note 7(c))                              | 228,910             | 260,598             |
| General                                                 | 68,104              | 79,742              |
| Memoriam                                                | 46,763              | 13,794              |
|                                                         | <u>\$ 7,978,286</u> | <u>\$ 6,409,484</u> |
| <br><b>EXPENSES</b> (Note 11)                           |                     |                     |
| Programs                                                | \$ 6,131,716        | \$ 4,985,910        |
| Marketing and advertising                               | 536,488             | 453,591             |
| Administrative                                          | 520,967             | 520,421             |
| Fundraising                                             | 305,282             | 282,310             |
| Nevada tickets (Note 7(c))                              | 110,690             | 117,392             |
|                                                         | <u>\$ 7,605,143</u> | <u>\$ 6,359,624</u> |
| <br><b>EXCESS OF REVENUES OVER EXPENSES</b>             |                     |                     |
|                                                         | \$ 373,143          | \$ 49,860           |
| Transfer to internally restricted net assets (Note 2)   | <u>(300,000)</u>    | <u>-</u>            |
| <br><b>NET INCREASE IN UNRESTRICTED NET ASSETS</b>      |                     |                     |
|                                                         | \$ 73,143           | \$ 49,860           |
| <b>UNRESTRICTED NET ASSETS - Beginning</b>              | <u>2,960,323</u>    | <u>2,910,463</u>    |
| <b>UNRESTRICTED NET ASSETS - Ending</b>                 | <u>\$ 3,033,466</u> | <u>\$ 2,960,323</u> |
| <br><b>INTERNALLY RESTRICTED NET ASSETS - Beginning</b> |                     |                     |
|                                                         | \$ 3,500,000        | \$ 3,500,000        |
| Transfer from unrestricted net assets (Note 2)          | <u>300,000</u>      | <u>-</u>            |
| <b>INTERNALLY RESTRICTED NET ASSETS - Ending</b>        | <u>\$ 3,800,000</u> | <u>\$ 3,500,000</u> |

See accompanying notes

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**SPECIAL OLYMPICS ONTARIO INC.****STATEMENT OF CASH FLOWS**

For the year ended June 30,

**2026****2025**

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**UNRESTRICTED CASH, CASH EQUIVALENTS  
AND INVESTMENTS WERE PROVIDED BY (USED IN):****OPERATING ACTIVITIES**

|                                                  |            |           |
|--------------------------------------------------|------------|-----------|
| Excess of revenues over expenses                 | \$ 373,143 | \$ 49,860 |
| Net change in non-cash working capital balances: |            |           |
| Accounts receivable                              | (37,150)   | (52,093)  |
| HST refundable                                   | (36,002)   | 4,268     |
| Prepaid expenses                                 | 553,517    | (761,133) |
| Accounts payable and accrued liabilities         | 320,564    | (537,990) |
| Program funds segregated                         | 13,426     | 317,156   |
| Deferred contributions                           | (4,615)    | 241,334   |

**INCREASE (DECREASE) IN UNRESTRICTED CASH,  
CASH EQUIVALENTS AND INVESTMENTS****\$ 882,883 \$ (738,598)****UNRESTRICTED CASH, CASH EQUIVALENTS AND  
INVESTMENTS - Beginning****3,522,953 4,261,551****UNRESTRICTED CASH, CASH EQUIVALENTS AND  
INVESTMENTS - Ending****\$ 4,405,836 \$ 3,522,953****SUPPLEMENTARY CASH FLOW INFORMATION**Unrestricted cash, cash equivalents and investments  
consist of the following:

|                                                 |                     |                     |
|-------------------------------------------------|---------------------|---------------------|
| Cash in bank                                    | \$ 4,550,911        | \$ 3,397,445        |
| Cash and cash equivalents in investment account | 46,647              | 15,076              |
| Allocation from (to) investments                | (191,722)           | 110,432             |
|                                                 | <u>\$ 4,405,836</u> | <u>\$ 3,522,953</u> |

Unrestricted cash, cash equivalents and investments  
are allocated as follows:

|                                                                                     |                     |                     |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
| Unrestricted cash, cash equivalents and investments                                 | \$ 3,492,078        | \$ 2,622,621        |
| Unrestricted cash, cash equivalents and investments<br>segregated for program funds | <u>913,758</u>      | <u>900,332</u>      |
|                                                                                     | <u>\$ 4,405,836</u> | <u>\$ 3,522,953</u> |

See accompanying notes

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# **SPECIAL OLYMPICS ONTARIO INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2026**

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### **PURPOSE OF THE ORGANIZATION**

Special Olympics Ontario Inc. (the "Organization") is a provincial organization that provides athletes with intellectual disabilities the opportunity to experience and succeed in sport. The Organization was incorporated in 1979 without share capital under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act (Canada). The Organization is exempt from income taxes and may issue tax-deductible receipts to donors.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### **a) Basis of Presentation**

The Organization meets its objective of providing intellectually disabled athletes with opportunities in sport through the cooperation of many local community endeavours in organizing programs and providing support to athletes throughout Ontario. The Organization acts as a governing body over these community endeavours.

The Organization has excluded the operational expenses and financial positions of these community endeavours from the financial statements since they are immaterial to the Organization, the Organization does not exercise financial control over the local programs undertaken by the communities and the cost of preparing consolidated financial statements would exceed any benefits from doing so. These financial statements include only those assets, liabilities, revenues and expenses directly attributable to the Organization and do not include the operating results of the community endeavours.

#### **b) Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets and certain accrued liabilities.

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# **SPECIAL OLYMPICS ONTARIO INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2026**

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### **1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **c) Foreign Currency Translation**

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rate, while non-monetary assets are translated at the rate of exchange prevailing at the date of the transaction. Revenues and expenses are translated at the rate of exchange in effect on the transaction date.

#### **d) Cash, Cash Equivalents and Investments**

Cash and cash equivalents consist of cash held in bank balances and investments readily convertible to cash. Investments consist primarily of guaranteed investment certificates. Investments held for the purposes of meeting short-term unrestricted commitments are shown as current assets and included in the reconciliation of unrestricted cash flows. Cash, cash equivalents and investments held for the purposes of supporting internally restricted net assets are shown as non-current assets.

#### **e) Capital Assets**

Capital assets are recorded at cost. Amortization is provided over the estimated useful life of the assets using the following annual rates and methods:

|                        |                        |
|------------------------|------------------------|
| Furniture and fixtures | 10 years straight-line |
|------------------------|------------------------|

#### **f) Impairment of Capital Assets**

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

#### **g) Revenue Recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including grants and subsidies, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including grants, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Proceeds from Nevada tickets, memoriam and general revenues are recognized as revenue upon receipt. Interest revenue is recognized as earned.

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# **SPECIAL OLYMPICS ONTARIO INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2026**

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### **1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **h) Contributed Services and Gifts-in-Kind**

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

In the normal course of operations, the Organization receives contributions of various materials, gift cards, and marketable securities. These gifts-in-kind are recognized as revenue and are measured at their fair value at the time of the donation when the fair value can be reasonably determined.

#### **i) Financial Instruments**

##### **Measurement of Financial Instruments**

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and program funds segregated.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

##### **Impairment**

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

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# SPECIAL OLYMPICS ONTARIO INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### j) Allocation of Expenses

The Organization reports expenses based on various operating functions as disclosed on the statement of operations. The costs of each function include salaries and benefits, supplies and other expenses that are directly related to the function. The Organization also incurs a number of administrative support expenses that are common to various functions, and allocates certain common administrative support expenses based on the following:

|                         | Programs | Administrative | Fundraising |
|-------------------------|----------|----------------|-------------|
| Rent and utilities      | 75%      | 10%            | 15%         |
| General office expenses | 75%      | 10%            | 15%         |
| Telephones              | 75%      | 10%            | 15%         |
| Bank charges            | 75%      | 10%            | 15%         |
| Paper and printing      | 75%      | 10%            | 15%         |

### 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following:

|                                                  | 2026                | 2025                |
|--------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents:                       |                     |                     |
| Cash in bank                                     | \$ 4,550,911        | \$ 3,397,445        |
| Cash and cash equivalents in investment account  | <u>46,647</u>       | <u>15,076</u>       |
|                                                  | <u>\$ 4,597,558</u> | <u>\$ 3,412,521</u> |
| Investments (at cost):                           |                     |                     |
| RBC GIC, 4.00%, maturing October 23, 2029        | \$ 3,500,000        | \$ 3,500,000        |
| Scotia Bank GIC, 4.00%, maturing August 24, 2027 | <u>108,278</u>      | <u>108,278</u>      |
| Common shares                                    | <u>-</u>            | <u>2,154</u>        |
|                                                  | <u>\$ 3,608,278</u> | <u>\$ 3,610,432</u> |
| Total cash, cash equivalents and investments     | <u>\$ 8,205,836</u> | <u>\$ 7,022,953</u> |

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## SPECIAL OLYMPICS ONTARIO INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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#### 2. CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

Cash, cash equivalents and investments have been allocated as follows:

|                                                                                     | 2026                | 2025                |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
| Unrestricted cash, cash equivalents and investments                                 | \$ 3,492,078        | \$ 2,622,621        |
| Unrestricted cash, cash equivalents and investments<br>segregated for program funds | <u>913,758</u>      | <u>900,332</u>      |
|                                                                                     | \$ 4,405,836        | \$ 3,522,953        |
| Internally restricted cash, cash equivalents and investments                        | <u>3,800,000</u>    | <u>3,500,000</u>    |
|                                                                                     | <u>\$ 8,205,836</u> | <u>\$ 7,022,953</u> |

The board of directors has approved an allocation of \$300,000 (2025 - \$Nil) from the unrestricted net assets to the internally restricted reserve. When such a transfer is approved, a corresponding amount of cash, cash equivalents, and investments is internally restricted in support of the reserve balance.

#### 3. CAPITAL ASSETS

Capital assets consist of the following:

|                        | 2026              |                             |                   | 2025              |
|------------------------|-------------------|-----------------------------|-------------------|-------------------|
|                        | Cost              | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |
| Furniture and fixtures | <u>\$ 171,194</u> | <u>\$ 171,194</u>           | <u>\$ -</u>       | <u>\$ -</u>       |

#### 4. PROGRAM FUNDS SEGREGATED

From time to time the Organization will hold program funding on behalf of various community endeavours when a program has become inactive. These funds are included in unrestricted cash, cash equivalents and investments (Note 2) and must be returned to the community endeavour once their program activities resume.

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## SPECIAL OLYMPICS ONTARIO INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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#### 5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of unspent contributions restricted for future programs and events. The change in deferred contributions is as follows:

|                                                     | 2026              | 2025              |
|-----------------------------------------------------|-------------------|-------------------|
| Balance - Beginning                                 | \$ 289,674        | \$ 48,340         |
| Add: Amounts received related to the following year | 286,023           | 289,674           |
| Less: Amounts recognized as revenue in the year     | <u>(290,638)</u>  | <u>(48,340)</u>   |
| Balance - Ending                                    | <u>\$ 285,059</u> | <u>\$ 289,674</u> |

#### 6. COMMUNITY ENDEAVOURS

The following programs operate individual activities autonomously through their community endeavour. The funds generated by their endeavours, in their entirety, have been provided back to each program for their sole use as follows:

|             | 2026                | 2025                |
|-------------|---------------------|---------------------|
| Communities | \$ 3,052,252        | \$ 2,307,804        |
| Games       | 1,497,262           | 195,897             |
| Clubs       | 271,736             | 353,266             |
| Memberships | <u>74,387</u>       | <u>82,897</u>       |
|             | <u>\$ 4,895,637</u> | <u>\$ 2,939,864</u> |

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# **SPECIAL OLYMPICS ONTARIO INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2026**

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### **7. STATEMENT OF OPERATIONS - ADDITIONAL INFORMATION**

The amounts reflected in the statement of operations contain the following information included in various categories. Certain categories are defined by specific provisions and have restrictions placed thereon regarding their use.

#### **a) Law Enforcement Torch Run**

Law Enforcement Torch Run activities are used to fund opportunities provided to intellectually challenged athletes by the Organization and local community endeavours. During the year, Law Enforcement Torch Run activities raised \$3,423,494 (2025 - \$2,274,012) in funding to assist in meeting the costs associated with these program opportunities.

#### **b) Government Grants**

The Organization received grants from various levels of government as follows:

|            | 2026                | 2025              |
|------------|---------------------|-------------------|
| Provincial | \$ 773,990          | \$ 327,091        |
| Federal    | 412,182             | 410,797           |
| Municipal  | -                   | 18,118            |
|            | <u>\$ 1,186,172</u> | <u>\$ 756,006</u> |

#### **c) Nevada Ticket Lottery**

Net proceeds from the Nevada Ticket Lottery are used to fund expenses and programs specifically related to athlete involvement in Special Olympics. The activity related to the lottery is as follows:

|                     | 2026                     | 2025                     |
|---------------------|--------------------------|--------------------------|
| Ticket revenue      | \$ 228,910               | \$ 260,598               |
| Ticket expenses     | <u>(110,690)</u>         | <u>(117,392)</u>         |
| <b>Net Proceeds</b> | <u><b>\$ 118,220</b></u> | <u><b>\$ 143,206</b></u> |

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## SPECIAL OLYMPICS ONTARIO INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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#### 8. ACCREDITATION FEE

The Organization pays an annual accreditation fee to Special Olympics International. Included in accounts payable and accrued liabilities is an estimate of the annual fee for 2026 of \$60,000 (2025 - \$50,000).

#### 9. COMMITMENTS

The Organization's lease agreement for its premises expires April 30, 2033. Future minimum annual rental payments (excluding property taxes, maintenance, and insurance) for the next five years and thereafter is as follows:

|            |                   |
|------------|-------------------|
| 2027       | \$ 66,824         |
| 2028       | 66,824            |
| 2029       | 66,824            |
| 2030       | 66,824            |
| 2031       | 66,824            |
| Thereafter | <u>122,511</u>    |
|            | <u>\$ 456,631</u> |

#### 10. FINANCIAL INSTRUMENTS

##### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's exposure to and concentrations of risk at June 30, 2026:

##### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization is not exposed to significant credit risk. There has been no change in the assessment of credit risk from the prior year.

##### b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities and program funds segregated. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

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## SPECIAL OLYMPICS ONTARIO INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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#### 10. FINANCIAL INSTRUMENTS - Continued

##### c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is mainly exposed to currency risk and interest rate risk as follows:

##### i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at June 30, 2026, cash and cash equivalents of \$24,296 (2025 - \$20,157) are denominated in US dollars and have been converted into equivalent Canadian dollars at the exchange rate in effect at the year end. The exposure to this risk changes as the transaction amounts change and as the exchange rate fluctuates. The average US exchange rate for 2026 was 1.38 (2025 - 1.36).

##### ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in Note 2, the Organization is exposed to interest rate risk with respect to its investments. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

#### 11. ALLOCATION OF EXPENSES

Administrative support expenses including rent, utilities and general office and overhead costs totaling \$334,050 (2025 - \$297,823) have been allocated to the following functions:

|                | 2026              | 2025              |
|----------------|-------------------|-------------------|
| Programs       | \$ 250,537        | \$ 223,367        |
| Fundraising    | 50,108            | 44,674            |
| Administrative | <u>33,405</u>     | <u>29,782</u>     |
|                | <u>\$ 334,050</u> | <u>\$ 297,823</u> |